



PSC NEWS

Missouri Public Service Commission

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FY-05-43

PSC STAFF ISSUES REPORT ON RESTORATION EFFORT FROM SEVERE THUNDERSTORMS ON JULY 5, 2004

Jefferson City (August 31, 2004)---The Staff of the Missouri Public Service Commission has concluded that AmerenUE had an emergency plan in place and executed that plan in response to severe storms that hit AmerenUE's service territory on July 5, 2004. However, the Staff report makes a number of recommendations including increased tree-trimming efforts, which are currently behind schedule.

Other recommendations include: Evaluating call back systems; providing clearer language in notices regarding power restoration to those customers who are on AmerenUE's medical equipment registry; and reviewing AmerenUE's mutual assistance agreements with other utilities regarding crew availability.

The PSC Staff report strongly recommended that AmerenUE immediately implement programs to begin addressing the existing backlog in the tree-trimming cycles in its distribution systems in rural and suburban areas.

Staff, in a report filed after a January 2002 ice storm, recommended AmerenUE maintain scheduled trim cycles for tree-trimming/vegetation management for both rural and urban areas to ensure safe and reliable service. Staff also recommended AmerenUE evaluate the results of these programs on a regular basis and make changes as necessary. In Staff's ice storm report it noted that funding for vegetation management had generally been increasing at AmerenUE. The PSC Staff report filed today shows that funding is no longer increasing and has actually decreased somewhat in recent years.

Staff's report states that AmerenUE's internal vegetation management plan is to keep all suburban distribution lines trimmed within a 4 year cycle and all rural distribution lines trimmed within a 6 year cycle. Staff noted that at this time, AmerenUE believes that they are actually at a 5 plus year trim cycle in suburban areas and a little less than 7 years in the rural areas with an average that is about 6 ½ years. "What these numbers show," Staff's report states, "is that AmerenUE is behind in their distribution system tree-trimming cycles in suburban and rural areas and that this situation has not improved over the last three years."

Phone system issues: Staff's report states that customers who were trying to call the utility company to report outages were frustrated by the difficulty in reaching a person and inaccurate restoration times provided by AmerenUE.

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AmerenUE has a callback function which is used to determine if customers had their service restored after particular elements of their system had been repaired.

“While this is a good approach to identify additional damage to the system, and more efficiently repair this damage,” Staff states in its report, “the message to customers by the calling system was misunderstood by some customers.”

The PSC Staff has recommended that AmerenUE evaluate the effectiveness of these messages and develop alternative wording that clarifies what these messages are intended to convey and more clearly directs the customer on what to do if their power has not been restored.

Medical Equipment Registry Enrollment: AmerenUE customers or household members requiring the use of certain types of electrically operated medical equipment may enroll in the Company’s Medical Equipment Registry. The current utility practice is that a medical equipment registry list is used as a mechanism to identify and notify customers with special medical equipment needs of planned service interruptions. It is not a list for establishing priority in reconnection of service after a major outage like this one.

The PSC Staff believes more and clearer information needs to be provided to these customers so that those customers know that being enrolled as a medical equipment customer does not mean that they are ensured priority treatment following major outage events and that they may experience lengthy outages after major storms like these.

Storm restoration help from other companies: Staff’s review of AmerenUE’s efforts to acquire additional resources immediately after the storms indicates that while many contractors were contacted only a limited number were able to provide additional resources even though damage to areas outside of AmerenUE’s service territory was not as severe. Therefore, the PSC Staff report has recommended that AmerenUE review its current utility mutual assistance agreement and confirm that reasons other than actual crew availability are not resulting in a reduction in availability of outside crews when they may actually be available under different terms and/or conditions.

Background: Severe thunderstorms passed through central and east-central Missouri on July 5, 2004. These storms delivered large hail, very high winds, torrential rains and an extraordinarily high number of lightning strikes. These storms caused extensive damage to AmerenUE’s distribution system and impacted over 250,000 customers.